P. A. C. No. 465

# PUBLIC ACCOUNTS COMMITTEE (1974-75)

(FIFTH LOK SABHA)

## HUNDRED AND SIXTY-NINTH REPORT

## OUTSTANDING AUDIT OBSERVATIONS AND INSPECTIONS REPORTS

[Chapter VII of the Report of the Comptroller and Auditor General of India for the year 1972-73—Union Government (Civil) relating to outstanding Audit observations and inspection reports].

LOK SABHA SECRETARIAT
NEW DELHI

*April, 1975/Vaisakha, 1897(S)*

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## PUBLIC ACCOUNTS COMMITTEE

### (1974-75)

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Shri Jyotirmoy Bosu

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#### SECRETARIAT

Shri B. K. Mukherjee—*Chief Legislative Committee Officer.*

Shri N. Sunder Rajan—*Senior Financial Committee Officer.*

## INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Sixty-Ninth Report of the Public Accounts Committee on Chapter VII of the Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil) relating to outstanding audit observations and inspection reports.

2. The Report of the Comptroller and Auditor General of India for the year 1972-73 Union Government (Civil) was laid on the Table of the House on the 30th April, 1974. The Committee took up examination of Chapter VII of the Report relating to outstanding audit observations and inspection reports on the 18th January, 1975. A circular letter was issued to the Ministries/Departments concerned on 23rd January, 1975 asking them to furnish information on outstanding audit observations and inspection reports as shown against them in the Report. The replies as furnished by them are shown in Annexures I to XXX. The Report was considered and finalised by the Committee at their sitting held on 28th April, 1975.

3. A statement showing the summary of the main conclusions/recommendations of the Committee is appended to the Report (Appendix). For facility of reference these have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the examination of the Audit Report by the Comptroller and Auditor General of India.

5. The Committee would also like to express their thanks to the officers of the Ministries of Finance etc. for the cooperation extended by them in giving information to the Committee.

NEW DELHI;
*April* 28, 1975.
*Vaisakha* 8, 1897 (*S*)

JYOTIRMOY BOSU,
*Chairman,*
*Public Accounts Committee.*

## REPORT

## OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

*Audit Paragraph*

1.1. *Outstanding Audit Observations*—Audit observations on financial transactions of Government are communicated to the departmental authorities from time to time. Half-yearly reports of such observations which remain outstanding for more than six months are also sent by Audit to Administrative Ministries for taking necessary steps to expedite their settlement.

(i) The number of such outstanding audit observations in the Ministries Departments noted below and their attached and subordinate offices is large:—

| Ministries/Departments | Total number of observations made upto March 1973 but outstanding on 31st August 1973 | Total amount (Lakhs Rupees) | Number of observations made prior to April 1970 | Amount (Lakhs of rupees) |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| A. *Civil Departments* | | | | |
| Agriculture | 4,298 | 1,88·25 | 699 | 13·06 |
| Commerce | 812 | 24·72 | 154 | 7·62 |
| Defence | 194 | 13.54 | 19 | 0.36 |
| Education & Social Welfare | 4,671 | 1,29·63 | 724 | 21·40 |
| External Affairs | 8,199 | 1,68·09 | 4,801 | 40·53 |
| Finance | 15,797 | 1,47·35 | 3,387 | 17·93 |
| Health & Family planing | 3,885 | 2,50,71 | 816 | 35.86 |
| Home Affairs | 27,522 | 15,81·92 | 4,555 | 2,62·38 |
| Industrial Development | 2·140 | 17·34 | 585 | 3·27 |

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| Information & Broadcasting | 3,316 | 79·83 | 325 | 1·69 |
| *A. Civil Departments* | | | | |
| Irrigation & Power | 6,170 | 19,72·43 | 1,503 | 3,80·70 |
| Labour and Rehabilitation | 9,063 | 4,29,16 | 2,833 | 1,13·57 |
| Shipping & Transport | 1,273 | 3,30·90 | 194 | 2 81 |
| Steel and Mines | 8,717 | 1,13·62 | 2,350 | 35·90 |
| Tourism & Civil Aviation | 5,084 | 3,14,69 | 947 | 1,11·92 |
| Works and Housing | 25,856 | 54,42·70 | 5,461 | 6,98·28 |
| Cabinet Secretariat | 1,655 | 19·08 | 175 | 1·24 |
| Culture | 729 | 12·77 | 210 | 3·69 |
| Science & Technology | 2,115 | 50·58 | 206 | 9·80 |
| Supply | 3,216 | 32·70 | 1,032 | 2·33 |
| B. *Departmentally Managed commercial and quasi-commercial undertakings* | | | | |
| Agriculture | 12 | 6·43 | 11 | 6·42 |
| Information & Broadcasting | 91 | 1·43 | 6 | 0·01 |

(ii) The following is a broad analysis of the outstanding observations:—

| Nature of observation | Number of items | Amount (Lakhs of rupees |
|---|---|---|
| 1 | 2 | 3 |
| (a) Sanctions for establishment not received | 1,697 | 35.00 |
| (b) Sanctions not received for contingent and miscellaneous expenditure | 3,686 | 3,95.49 |
| (c) Sanctions to estimates not received | 3,626 | 13,80.73 |
| (d) Detailed bills for lump sum drawals not received | 18,786 | 7,60·22 |
| (e) Vouchers not received. | 16,305 | 17,24·61 |
| (f) Payees' receipt not received | 41,458 | 31,36·45 |
| (g) Advances paid to Government servants not recovered | 33·670 | 2,59·79 |

| 1 | 2 | 3 |
|---|---|---|
| (h) Agreements with contractors/suppliers not received | 2,112 | 19,63·87 |
| (i) Payments to contractors/suppliers not conformity with contracts and agreemeents | 95 | 9·33 |
| (j) Overpayments or amounts disallowed in audit not recovered. | 1,120 | 39·99 |
| (k) Sanctions to write off of losses etc. not received | 229 | 1·02 |
| (l) Breach off financial property | 99 | 3·61 |
| (m) Sanctions for reserve limit of stock/excess over reserve stock not received | 18 | 87.45 |
| (n) Miscellaneous Public Works Department advances. | 45 | 54·00 |
| (o) Other reasons | 21,771 | 14,78·37 |
| B. *Departmentally managed commercial and quasi-commercial undertakings* | | |
| (a) Sanctions for establishment not received | 19 | 0·63 |
| (b) Detailed bills for lump sums drawals not received | 16 | 6.99 |
| (c) Payees' receipt not received | 7 | 0·06 |
| (d) Advances paid to Government servants not recovered | 32 | 0·10 |
| (e) Over-payments of amounts disallowed in audit not recovered | 7 | 0·01 |
| (f) Other reasons | 22 | 0·07 |

The entire expenditure for which detailed bills and vouchers are not submitted escapes audit scrutiny. In such cases, as also the cases in which payees' receipts etc. have not been furnished, misappropriation, fraud etc. may remain undetected.

52. **Outstanding Inspection Reports.**—The audit done in central office is supplemented by local inspection. All important financial irregularities and defects in initial accounts noticed during local audit and inspections are included in inspection reports and sent to departmental officers for necessary action. Besides, copies of the inspection reports and half yearly statements of outstanding inspection reports are also forwarded to the administrative Ministries.

(i) The Ministries with comparatively large outstanding are shown below.

| Ministries Departments | Year of issue of the earliest outstanding reports | Number of outstanding | |
|---|---|---|---|
| | | Reports | Paragraph in the Reports. |
| 1 | 2 | 3 | |
| A. *Civil Departments* | | | |
| Agriculture | 1952—53 | 583 | 2,416 |
| Commerce | 1959—60 | 301 | 1,309 |
| Education & Social Welfare | 1951—52 | 1,584 | 5,660 |
| External Affairs. | 1949—50 | 307 | 1,338 |
| Finance | 1955—56 | 847 | 2,286 |
| Health & Family Planning | 1957—58 | 227 | 893 |
| Home Affairs | 1955—56 | 1,113 | 4,296 |
| Industrial Development | 1960—61 | 185 | 547 |
| Irrigation & Power | 1953—54 | 645 | 5,932 |
| Labour & Rehabilitation | 1959—60 | 2,461 | 4,940 |
| Shipping & Transport | 1954—55 | 197 | 636 |
| Steel and Mines | 1965—66 | 125 | 626 |
| Tourism & Civil Aviation | 1956—57 | 250 | 1,134 |
| Works and Housing | 1952—53 | 2,060 | 17,072 |
| B. *Departmentally managed commercial and quasi-commercial Undertakings* | | | |
| Agriculture | 1959—60 | 21 | 66 |
| Finance | 1966—67 | 13 | 23 |
| Health & Family Planning | 1964—65 | 38 | 114 |
| Home Affairs | 1959—60 | 70 | 237 |
| Information & Broadcasting | 1966—67 | 73 | 136 |
| Irrigation & Power. | 1957—58 | 18 | 43 |
| Labour & Rehabilitation | 1964—65 | 11 | 43 |
| Works & Housing | 1964—65 | 27 | 80 |

(ii) The more important types of irregularities noticed during inspection and local audit are briefly summarised below:—

| | Number of offices in which irregularities were noticed |
|---|---|
| **A. *Civil Departments*** | |
| 1. Public Works Offices— | |
| Number of offices inspected during 1972-73 | 407 |
| (i) Wasteful and infructuous expenditure due to defective plans, designs and abandonment of works. | 46 |
| (ii) Extra cost of Government due to rejection of lowest tenders or delay in accepting tenders. | 19 |
| (iii) Excess payments due to non-observance of the conditions of contracts or non-provision of necessary safeguards in contracts. | 38 |
| (iv) Splitting up of purchase orders | 13 |
| (v) Unauthorised financial aids to contractors. | 30 |
| (vi) Delay in effecting recovery of security deposits from contractors and payment of contractors' bills | 44 |
| (vii) Arrears in maintenance and/or non-maintenance of initial accounts of road metal, material-at-site accounts, etc. | 33 |
| (viii) Other irregularities. | 173 |
| 2. Treasuries and other Civil Offices— | |
| Number of offices inspected during 1972-73 | 2,712 |
| (i) Non-observance of rules relating to custody and handling of cash, posting and maintenance of cash books, muster rools, physical verification of cash, reconciliation of departmental receipts and remittancese with treasury recores, recording of measurements, etc | 675 |
| (ii) Securities from persons handling cash and store not obtained, not for the prescribed amount | 228 |
| (iii) Stores accounts not maintained properly and perodical verification and done | 608 |
| (iv) Defective maintenance and/or non-maintenance of log books of staff cars, etc. | 169 |
| (v) Local purchase of stationery in excess of authorised limits and expenditure incurred without proper sanction | 334 |
| (vi) Delay and/or non-recovery of receipts, advances and other charges, etc. | 654 |
| (vii) G.P. Fund accounts of Class IV staff not maintained properly | 270 |
| (viii) Payment of grant-in-aid in excess of actual requirements. | 105 |

| | Number of offices in which irregularities were noticed |
|---|---|
| (ix) Irregular drawal of travelling allowance | 5 |
| (x) Other types of irregularities | 1,912 |
| B. *Departmentally managed commercial and quasi-commercial undertakings* | |
| Number of offices inspected during 1972-73 | 141 |
| (i) Extra cost to Government due to rejection of lowest tenders or delay in accepting tenders. | 1 |
| (ii) Excess payments due to non-observance of conditions of contracts or non-provision of necessary safeguards in contracts. | 1 |
| (iii) Non-observance of rules relating to the custody and handling of cash, posting and maintenance of cash books, muster rolls, physical verification of cash, reconcilliation of departmental receipts and remittances with the treasury records, recording of measurements etc. | 4 |
| (iv) Delay in recovery and/or non-recovery of receipts, advances and other charges etc. | 10 |
| (v) Store accounts not maintained properly and periodical verification not done. | 14 |
| (vi) Securities from persons handling cash and stores not obtained or, if obtained, not according to the prescribed amount. | 2 |
| (vii) Defective maintenance and/or non-maintenance of log books of staff cars, etc. | 3 |
| (viii) Local purchase of stationery in excess of authorised limits and expenditure incurred without proper sanction | 2 |
| (ix) Payment of grant-in-aid in excess of actual requirements | 2 |
| (x) Non-observance of rules relating to maintenance of accounts showing reconcilliation of Departmental remittances and withdrawals with the audit offices. | 9 |
| (xi) Non-maintenance of proper records and non-production of records. | 5 |
| (xii) Write off of losses etc. | 6 |
| (xiii) Splitting up of pruchase orders. | 2 |
| (xiv) Delay in effecting recovery of security deposits from contractors and payment of contractors' bills. | 4 |
| (xv) Irregularities in calculation of depreciation | 13 |
| (xvi) Non-adjustment of figures in accounts etc. | 34 |
| (xvii) Other types of irregularities. | 128 |

[Chapter VII of the Report of the C.&A.G. for the year 1972-73 (Civil).]

1.2. Chapter VII of the Report of the Comptroller and Auditor General of India for the year 1972-73 Union Government (Civil) relates to outstanding Audit observations and inspection reports 1 has been stated in the Audit Report that in respect of Ministry of Home Affairs as many as 27,522 audit observations were made upto March 1973 but were outstanding as on 31st August 1973. The total amount involved in these audit observations was Rs. 15,81.92 lakhs. As many as 25,856 audit observations were outstanding as on 31st August 1973 in respect of Ministry of Works and Housing. In so far as the Ministry of Finance is concerned, the total number of audit observations as on 31st August 1973 were 15,797, involving Rs. 1,47.35 lakhs. The nature of observations made by Audit in respect of outstanding Audit observations were *inter alia* the following:

(i) Vouchers not received

(ii) Payees' receipt not received

(iii) Advances paid to Government servants not recovered

(iv) Agreements with contractors/suppliers not received

(v) Payments to contractors/suppliers not confirmity with contracts and agreements.

1.3. Audit has pointed out that the entire expenditure for which detailed bills and vouchers are not submitted escapes audit scrutiny. In such cases, as also in cases in which payees' receipt etc. have not been furnished, mis-appropriation, fraud etc. may remain undetected.

1.4. Audit has also pointed that there are a large number of outstanding inspection reports which the Ministries/Departments are expected to examine and take necessary action. It has been pointed out in Audit Report that as many as 1,584 inspection reports were outstanding in respect of the Ministry of Education and Social Welfare; 2,461 inspection reports were outstanding in the name of the Ministry of Labour and Rehabilitation; 2,060 inspection reports were outstanding against the name of the Ministry of Works and Housing. Some of the outstanding inspection reports related to the years 1949-50, 1951-52, 1952-53 and 1953-54. The more important irregularities pointed out by the local audit relate to wasteful and infructuous expenditure due to defective plans, designs and abandonment of works, extra cost due to rejection of lowest tenders or delay in accepting tenders, excess payments due to non-observance of the conditions of contracts or non-provision of

necessary safeguards in contracts, etc. The Public Accounts Committee took up the question of the outstanding audit observations with the concerned Ministries/Departments and called for information on the following points:

(i) Reasons for a large number of audit observations outstanding as on 31st August, 1973;

(ii) No. of audit objections settled after the publication of the Audit Report;

(iii) Details of cases attracting Penal Sections 196 and 197 of the Indian Penal Code;

(iv) Reasons for a large number of inspection reports outstanding (in many cases since 1951-52);

(v) Steps taken to reduce the number; and

(vi) Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.

1.5. Information received from the Ministries/Departments of the Government of India as on dates indicated against each Ministry/Department is contained in this report, Vide Annexures I to XXX. The Ministries/Departments have given the following reasons for a large number of audit observations outstanding as on 31st August, 1973:

(i) Ignorance of the staff in the lowest spending units about the importance and procedure of setting audit objections/ inspection reports;

(ii) Sending incomplete replies to Audit;

(iii) Absence of follow up action with the audit authorities;

(iv) Lack of adequate staff;

(v) Non-availability of relevant records;

(vi) Location of offices at remote places;

(vii) Necessary of frequent consultations with various authorities;

(viii) Necessity of consulting the Ministry of Law on legal points;

(ix) Misplacement of papers, etc.

(x) Non-availability of sanctions for contingent and miscellaneous expenditure, etc. etc.

**1.6. The Committee take a very serious view that the Ministries/ Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95,49 lakhs), (iii) sanctions to estimates not received (Rs. 13,80,73 lakhs), (iv) detailed bills for lump sum drawals not received (Rs. 7,60,22 lakhs) and (v) vouchers not received (Rs. 17,24,61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers.**

**1.7. The outstanding audit observations reveal serious failure of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries/Departments, Statutory and Autonomous Bodies.**

**1.8. The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard.**

**1.9. The Committee have noted that there has been negligible progress in the clearance of outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensure in regard to the implementation of the audit observations.**

NEW DELHI;
*April* 28, 1975.
*Vaisakha* 8, 1897 (*S*).

JYOTIRMOY BOSU,
*Chairman*,
*Public Accounts Committee.*

## ANNEXURE I

### MINISTRY OF HOME AFFAIRS

(i) *The reasons for a large number of audit observations outstanding as on 31st August, 1973;*

—A large majority of the pending audit objections and Inspection Report pertains to the Arunachal Pradesh Administration and Border Security Force. A detailed scrutiny of the reasons for pendency against these two organisations revealed that the pendency was mainly due to the following reasons:—

(a) Ignorance of the staff in the lowest spending Units about the importance and procedure of setting audit objections/inspection reports;

(b) Sending incomplete replies to the Audit; and

(c) Absence of follow up action with the audit authorities in respect of those objections for which complete replies have been sent.

(ii) *No. of audit objections settled after the publication of the Audit Report;*

—13,506 audit objections have been settled after the publication of the Audit Report.

(iii) *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code;*

—None (as per information received)

(iv) *The reasons for a large number of inspection reports outstanding (in many cases since* 1951-52);

—Same as in reply to point at (i) above. However there is no Inspection Report/para relating to the year 1951-52 outstanding against this Ministry.

(v) *Steps taken to reduce the number; and*

—The following steps have been taken to expedite the settlement of outstanding audit observations/para of Inspection Reports:—

(a) Recently two officers of this Ministry visited Shillong and Calcutta, to discuss the pending objections/Inspections Reports with the concerned unit officers of Arunachal Pradesh Administration and the Border Security Force units of West Bengal and Assam region (where the pendency was the highest) to

(i) Scrutinise the reasons for the delay, (ii) give suitable instructions and guidance to the concerned officers to clear the pendency without further delay and (iii) impress upon then the importance and urgency of the prompt settlement of objection/Inspection Reports. The officers also took the opportunity to discuss the pendency with the audit officers in Calcutta and Shillong. This has started paying dividends. Already about 50 per cent of the pendency in the above cases have already been cleared.

(b) Monthly progress reports have been prescribed for the attached and subordinate offices and the Union Territories. The progress of settlement of audit observations and Inspection Reports is watched through these reports and suitable instructions issued, wherever necesssary.

(c) Meetings are arranged with the concerned officers of the Departments having larger number of outstanding audit observations and paras of Inspection Reports.

(d) Heads of the Departments with large pendency have been requested to pay personal attention to the speedy settlement of outstanding objections/Inspection Reports.

(e) Internal audit parties of BSF have been asked to particularly look into this aspect and to give such guidance to the units for settlement of objections as may be necessary.

(vi) *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required*

*by instructions in the Standing Guard File.*

—Generally the attached and subordinate offices and UT(s) have meetings with audit authorities for speedy settlement of outstanding items of audit observations and Inspection Reports/paras. The exact number of such meetings held is not, however, readily available. Arunachal Pradesh Administration and BSF have intimated that at least one meeting each month is held by their concerned units for settlement of audit objections.

[—O.M. No. 5/2/75-AC. III dated 28.2.1975]

## ANNEXURE II

### MINISTRY OF SHIPPING AND TRANSPORT

(TRANSPORT WING)

(i) *Reasons for a large number of audit observations and Inspection Reports outstanding as on 31st August, '73*

They are mainly (a) some of the cases involve reference to the concerned Accountants General and other concerned authorities and hence take time; (b) where the audit objections requires a reference to Government either for a sanction or for an interpretation some time lapse is involved; (c) sometimes audit objections are pending as adequate staff is not there to deal with them; (d) where particulars etc. have to be called for from subordinate offices, this involves time.

Though all efforts are taken, because of the above reasons, audit objections outstanding on particular dates may be large.

(ii) *Number of audit objections and Inspection Reports settled after the publication of Audit Report.*

| | Audit objections | |
|---|---|---|
| | Items | Amount |
| Clearance | 1125 | Rs. 234 lakhs. |

| | Inspection Reports | |
|---|---|---|
| | Reports | Paras |
| Clearance | 49 | 181 |

(iii) *Details of cases attracting penal sections 196 and 197 of the Indian Penal Code—*

Information received from the concerned officer indicates that there are no such cases.

(iv) *Steps taken to reduce the number—*

The Ministry issues from time to time instructions to all concerned for prompt settlement of outstanding audit

objection and Inspection Reports. The matter is also followed up with them regularly. Organisations also make personal contact with concerned audit officers, wherever possible.

(v) *Number of meetings with appropriate Audit Officers.*

Mangalore Harbour Project officials had six meetings in December, 1974. Officials of Tuticorin Harbour Project had two meetings between March, 1974 and November, 1974. Information regarding other offices is nil.

[O.M. No. 4-Budget(22)/74 dated 30.1.1975]

## ANNEXURE III

## MINISTRY OF EDUCATION AND SOCIAL WELFARE

### (DEPARTMENT OF EDUCATION)

(i) The Audit Report 1972-73 shows 5400 audit observations and 5660 paras of Inspection Reports as outstanding against the Department of Education and the Department of Culture. Of these 456 audit observations and 720 paras belong to the Department of Social Welfare which is functioning as a separate entity. In addition, about 500 objections (exact figure is being ascertained) pertain to the Survey of India, Botanical Survey of India, Zoological Survey of India, National Atlas which are under the control of Department of Science and Technology and some of the Autonomous Bodies/Projects.

Of the balance, 1210 audit observations and 3097 paras of inspection reports relate to the Delhi Adminstration. Thus the number actually outstanding against the two Departments *viz.* Department of Education and the Department of Culture and their subordinate offices as on 31.8.1973 was: —

| | Audit Observations | Paras of Inspection Reports |
|---|---|---|
| Department of Education & Department of Culture (Main Secretariat). | 891 | 445 |
| Attached & Subordinate Offices. | 2313 | 928 |

(ii) According to the data available, the number of objections settled is indicated below—

| | Audit Observations | Paras of Inspection Reports |
|---|---|---|
| Delhi Administration. | 214 | 989 |
| Department of Education and Deptt. of Culture (Secretariat Proper) | 275 | 29 |
| Attached & Subordinate Offices. | 147 | Actual figures being ascertained |

(iii) No such case has come to the notice of this Ministry so far but the exact position is being ascertained and further information if any, will be supplied shortly.

(iv) The reasons for their remaining outstanding may be attributed to:—

1. Non-availability of relevant records as a result of frequent changes in the set up of the Ministry of Education.
2. Large number of Audit objections outstanding against Delhi Administration relate to Middle schools etc. taken over by the Administration from the Delhi Municipal Corporation. The Heads of those institutions are themselves acting as Drawing and Disbursing Officers and since they are scatered all over the Union Territory it takes some time for the Administration to settle the objections after collecting the information from them.
3. The field organisations of some of the offices specially the Archaeological Survey of India are located at remote places and they being away from the audit offices their settlement is delayed on this account.

(v) & (vi) 1. The urgency and importance of the settlement of objections has been repeatedly emphasized on all concerned offices from time to time.

2. Sections in the Ministry and also the attached and subordinate offices have been asked to maintain Registers showing the particulars of objections raised by the Audit and to keep a watch over their disposal.

3. Quarterly progress reports on the subject are being obtained from our offices.

4. During the periodical visits of the Audit parties the officers concerned generally discuss the outstanding objections so that as many objections as possible are settled on the spot.

5. In major individual cases the officers of the Ministry also visit the Audit Office to explain their difficulties and also to obtain guidance from them regarding the clearance of the objections. It is proposed to make this arrangement as a regular feature in future.

[O.M. No. G. 25012/4/74-IF.4 dt. 26-2-1975].

## ANNEXURE IV

## MINISTRY OF SUPPLY & REHABILITATION

### (DEPARTMENT OF SUPPLY)

(i) *The reasons for a large number of audit observations outstanding as on 31st August, 1973.*

Majority of the Audit observations (2029) relate to cancellation of contracts at firms' risk and cost. The audit observations cannot be treated as closed unless extra expenditure, if any, on account of risk purchase has been recovered in full from the defaulting firm or the recovery waived with the approval of the competent authority. Where a valid risk purchase could not be made for one reason or the other, only general damages become recoverable on the basis of the difference in the market rate and the A/T rate on the date of breach. All this is a time consuming process involving frequent consultation with the Ministry of Law, indentor/consignee, reference of any dispute with the firm, to arbitration or Court of Law etc.

It may be mentioned that keeping in view the fact that the DGS&D is a Purchase organisation which every year enters into thousands of contracts of total value running to hundreds of crores of rupees, it would be appreciated that the number of aduit observations pending is relatively small. Every possible effort is being made to get the observations cleared as early as possible.

(ii) *No. of Audit objections settled after the publication of the Audit report.*

Out of the 3216 observations shown outstanding in the Audit report, 479 observations have since been cleared.

(iii) *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

As far as the Directorate General of Supplies and Disposals are concerned, the information has been called for and will be furnished as early as possible. As regards other offices of the Department of supply no case comes under the Sections 196 and 197 of the Indian Penal Code.

(iv) *The reasons for a large number of inspection reports outstanding (in many cases since* 1951-52).

AND

(v) *Steps taken to reduce the number.*

No inspection report is outstanding against the Department of Supply as shown in the report of the C&AG for the year 1972-73, Union Government (Civil).

(vi) *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by the instructions in the Standing Guard File.*

As mentioned in reply to Point (i), most of the Audit observations relate to contracts placed by DGS&D and their settlement depends on the contractual terms, legal interpretation and implementation of the advice tendered by the Ministry of Law in each case. So far as Audit observations other than those relating to contracts are concerned, it is proposed to hold a dialogue with the Audit Officers periodically in future with a view to ensure a quicker settlement of the Andit observations/objections.

[O.M. No. PIII-19(1)/75 dt. 6.3.1975]

## ANNEXURE V

## MINISTRY OF INDUSTRY AND CIVIL SUPPLIES

### (DEPARTMENT OF INDUSTRIAL DEVELOPMENT)

(i) Audit observations mostly relate to advances of Pay, Leave Salary and Travelling Allowance drawn by Government servants. The main reason for their outstanding is the non-linking of adjustment bills with the original items of advances in Accounts/Audit Offices.

(ii) 1509 Audit observations.

(iii) One item relating to the Industries Department of Delhi Administration, representing an embezzlement case, is pending in Crime Branch of Delhi Police for investigation in which *defalcation* of Government money to the tune of Rs. 60,000/- (approximately) is involved.

(iv) 185 Inspection Reports have been shown outstanding against this Department. The earliest report is for 1960-61. Out of this 71 reports have been shown against this Department by the A.G.C.W.&M., New Delhi. The details of the offices to which these relate have not been furnished to this Department. The matter is being actively pursued with the A.G. In this connection it is further added that many changes have been made in this Department resulting in addition or transfer of various offices under its administrative control. These changes might have inflated the figures of outstanding reports. However the true position would be known when the details are furnished by the A.G.C.W.&M., New Delhi. 60 Reports relate to Development Commissioner, Small Scale Industries. Most of these reports pertain to losses and shortages, disposal of surplus machinery and unserviceable stores and recoveries from outside parties etc. etc. These cases are being pursued vigorously and in some cases sanction for write off etc. is under consideration.

24 Reports relate to Salt Commissioner which pertain to recovery of N.E. dues, assignment fees etc. These cases are under correspondence with the respective Revenue authorities. 34 Inspection Reports have been cleared after the publication of the C.A.G's Report.

(v) All the outstanding items are under active consideration and are being pursued with the concerned units of the various officers, Audit Officers.

(vi) Meetings are held with the Audit Officers. Matters are also sorted out through correspondence. 10 meetings have been held with the audit officers for settlement of these items.

[O.M. No. G25012(5)-B&A/74 dt. 10-3-1974]

## ANNEXURE VI

## MINISTRY OF COMMERCE

### (EXPORT PRODUCTION)

(i) *Outstanding Audit Observations (number and amount involved therein); and Outstanding Inspection Reports (number and paragraphs involved therein).*

As appearing in the Audit Reports (Civil) of the Comptroller and Auditor General of India for the last six years viz. on the accounts for the year 1967-68 to 1972-73. It will be observed therefrom that though the number of audit observations has, more or less, been uniform, varying from 613 in 1969-70 to 889 in 1967-68, the amount involved has substantially come down from Rs. 48.97 lakhs in 1971-72 to Rs. 24.72 lakhs in 1972-73. It may be noted in this context that the C&AG's Report for 1968-69, the figure of outstanding Audit Observations and the amounts involved therein related to both the Departments of Foreign Trade (now Commerce) and Supply.

*tate showing outstanding Audit observations and Inspection Reports as appearing in the Audit Reforms (Civil) of the Comptroller and Auditor General of India on the Accounts for the year* 1967-68 *to* 1972-73.

| CAG's Report for the year | Issued up to | Outstanding on | Outstanding Audit Observations | | Ministry | Outstanding Inspection Reports | | |
|---|---|---|---|---|---|---|---|---|
| | | | No. of observations | Amount involved (Rs. in lakh) | | No. of Reports | para-graph involved | Ministry |
| 1972-73 . | 31-3-73 | 31-8-73 | 812 | 24·72 | Commerce | 301 | 1309 | Commerce |
| 1971-72 . | 31-3-72 | 31-8-72 | 771 | 48·97 | Foreign Trade. | 241 | 1124 | Foreign Trade. |
| 1970-71 . | 31-3-71 | 31-8-71 | 877 | 38·91 | Do. | 113 | 446 | Do. |
| 1969-70 . | 31-3-70 | 31-8-70 | 613 | 24·85 | Do. | | | |
| 1968-69 . | 31-3-69 | 31-8-69 | 3706 | 62·14 | Both for F/Trade & Supply | 206 | 763 | Both for F/Trade & Supply |
| 1967-68 | 31-3-68 | 31-8-68 | 899 | 13·91 | Commerce | 163 | 686 | Commerce |

The number of Inspection Reports and paragraphs involved decreased in 1970-71 in comparison to the earlier years. Thus the position in 1970-71 showed an improvement over the previous years. Yet I find that there was an increase in the number of outstanding Inspection Reports and paragraphs during 1971-72 and 1972-73. The matter is engaging the attention of this Ministry. Efforts are being made to bring down the number.

(ii) *No. of Audit Objections settled and inspection reports cleared after the publication of the Audit Report for the year* 1972-73 *Union Government (Civil).*

The position of settlement/clearance of Audit objections/Inspection Reports issued upto 31-3-1973 is as under:—

| (A) Audit Objections | | | | (B) Inspection Reports | | | |
|---|---|---|---|---|---|---|---|
| Appearing as Cleared outstanding in para 51(i) of the Audit Report of C&AG for the year 1972-73. | | | | Appearing as Cleared outstanding in para 52(i) of the Audit Report of C&AG for the year 1972-73. | | | |
| No. | Amount involved | No. | Amount involved | No. | Paras involved | No. | Paras involved |
| 812 | Rs. 2472436 | 407 | 795861 | 301 | 1309 | 45 | 314 |

(iii) *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

No such case has been reported.

(v) *The main reasons for outstanding of Audit objections and Inspection Reports.*

(i) Information about the closure of the items in respect of which particulars have been furnished to the Audit Office is awaited from them. (They are being remined periodically).

(ii) Some times, the Audit inspection party looks into the 'action taken' on their subsequent inspection visit only, to clear their audit observations/inspection paras.

(iii) Legal action taken in some cases for recovery of rent from tenants occupying property under the charge of the custodian of Enemy property proves to be a lengthy process. Recoveries of space rent from private parties in the case of fairs and exhibitions and settlement of insurance claims with LIC etc. take time.

(iv) Clarification of points and rectification of defects entailing correspondence with private parties take time.

(v) *Steps taken to reduce the number of outstandings.*

(i) Audit advice is being acted upon.

(ii) Meetings with audit officers are held periodically, whereve considered necessary, and periodical reminders are issued to the concerned parties/organisations etc. and outstanding cases kept under watch.

(iv) *Meetings with appropriate Audit Officers.*

As already stated in para 5 of my earlier D.O. letter dated 4-3-75 meetings with Audit Officers are held by the concerned authorities periodically as and when considered necessary to discuss the points at issue and settle audit observations.

I would like to point out again in connection with the number of outstanding audit observations and inspection reports, that the outstandings in respect of this Ministry pertain to a number of offices under its administrative control and would not thus appear to be 'large.'

[D.O. No. G.25012/15/74-B&A dt. 4-3-1975 & 1-4-1975]

## ANNEXURE VII

### MINISTRY OF HEALTH AND FAMILY PLANNING

### ( Department of Health )

*Statement shewing the position of Outstanding Audit Objections and Paras of Inspection Reports relating to the Department of Health.*

| | No. of objection shown against the Ministry of Health and F.P. in the Report of the C & AG for the year 1972 73 | No. of objections relating to the Deptt. of Family Planning | No. of objections relating to the Deptt. of Health | No. of objections settled after publication of the Report Department of Health only | No. of objections outstanding. | Remarks |
|---|---|---|---|---|---|---|
| 1. Inspection Reports | 893 | 317 (Reported by A.G.C.R.) | 276 | 105 | 171 | |
| 2. Inspection Reports relating to Commercial and quasi-Commercial undertakings | 114 | 16 (Reported by A.G.C.R.) | 98 | 36 | 62 | |
| 3. Audit Observations | 3885 | 764 (Reported by A.G.C.R.) | 3121 | | | |
| | | | *2267 | 857 | 1410 | |

(As per the record maintained by the Deptt. of Health.)

*Variation between the figures reported by the A.G.C.R. and maintained in the Department of Health are being reconciled with the A.G.C.R., New Delhi *vide* Department of Health's latest D.O. letter No. G. 25012/3/74-B, dated 30-1-1975 to Shri D. P. Sharma, Accounts Officer, A.G.C.R.

[D.M No. G. 25012/3/74/B, dt. 4-3-1975]

## ANNEXURE VIII

### MINISTRY OF WORKS AND HOUSING

1. *The reasons for large number of Audit observations outstanding as on 31st August, 1973.*

Audit observations are recurring and continuous in nature. These arise from the large volume of papers, relating to Works, contracts staff and contingent expenditure, which keep on moving from the Divisional and other offices to the Audit office. Settlement of the objections, very often requires, not only an examination of the matter in the office from which the paper had emanated but also correspondence with other offices/individuals and sometimes this also requires the sanction of or consultation with higher officers. In its very nature, therefore, the settlement of objections/observations, takes longer than the making thereof; and since every new objections keep on being made from time to time, the number goes on mounting. Sometimes papers relating to a single transaction, like a building contract, are sent at different points of time. Thus if the sanctioned estimate is sent in the beginning it is followed by the contract agreement at a later date, followed further by monthly accounts of expenditure and vouchers; which may or may not be accompanied by stamped receipts, depending on whether payment was received by the contractor, himself, or by his representative. Sometimes papers already sent are not linked up in the audit office and this leads to audit observations. Sometimes, the papers are misplaced or become loose and get separated and these lead to audit observations. Sometimes, papers which could not be sent earlier are sent later; but these are not properly connected up and audit observations persist.

2. *Number of audit objections settled after the publication of the audit report.*

17,582 audit observations have been settled after the publication of the Audit Report.

3. *Details of cases attracting penal Sections* 196 *and* 197 *of the India Penal Code.*

**NONE**

4. *The reasons for a large number of Inspection Reports outstanding (in many cases since* 1951-52).

978 Inspection Reports and 10,383 paras relating thereto have been settled since the publication of the Audit Report. The largest number of cases is in the C.P.W.D. which has 162 divisions and numerous other offices scattered all over the country. Each Inspection Report contains a large number of points each of which is to be examined separately. Replies sent, very often, come back with fresh queries and all the points mentioned in an Inspection Report cannot be settled and are therefore shown as outstanding. Sometimes, the reports are received long after the inspections have been made and cannot, therefore, be discussed, at the time of the next inspection.

5. *Steps taken to reduce the number*

A special cell, consisting of an Audit Officer, taken on deputation from the A.G's office, and two clerks has been set up in the CPWD which being the largest office, under the Ministry has also the largest number of outstanding audit observations/Inspection Reports. This cell not only obtains and scrutinises monthly and quarterly progress reports obtained from the local offices but also helps and assists in their disposal, as far as possible, by liaising with the Audit Office. The number of objections/observations, being the largest under the Audit control of the A.G.C.W.&M. it has also been decided to concentrate on the divisions falling within this audit circle. After studying the problem, meetings will be held with the AGCW&M to sort out the problem. Divisional Offices are also being asked to send a representative to the audit office every month to help them link up papers and reconcile discrepancies. They have also been asked to discuss all outstanding observations/audit inspection reports with the audit

officers during the subsequent inspections and to set apart the first 3 days of the arrival of the audit party to discuss old pending matters.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the standing guard file.*

The discussions generally take place when the Audit Party visits an office, once in six months, for inspection. Also the officer in charge of the Special Cell goes and discusses some sample or important cases with the Audit Officers in their office. Local officers etc., going to the Audit Offices to reconcile discrepancy, also hold discussions with them. It is a result of these efforts that 17,582 audit observations, 978 Inspection Reports and 10,383 paras have been disposed of.

[D O. No. G.25012/7/74BT., dt. 29-3-1975]

## ANNEXURE IX

## MINISTRY OF AGRICULTURE AND IRRIGATION

(DEPARTMENT OF AGRICULTURE)

(i) *The reasons for a large number of Audit Observations outstanding as on 31st August, 1973.*

(a) The officers and members of the staff are allowed advances of Pay and T. A. etc. The recoveries are made by the Drawing and Disbursing Officers in the adjustment claims preferred by the officers concerned on completion of the tours etc. These recoveries are made from the adjustment bills. The objections remain outstanding for want of proper linking of recoveries with the amounts of advances in the A.G's Offices.

(b) Some objections are for want of payee's stamped receipts, sanctions for payments and detailed fully vouched contingent bills. The objections are settled after due verification by the audit department.

(ii) *Number of Audit Objections settled after the publication of the Audit Report.*

Out of said 4310 audit objections 282 have been settled since 1972-73.

(iii) *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

NIL

(iv) *The reasons for a large number of Inspection Reports outstanding (in many cases since* 1951-52).

Some Inspection Reports are outstanding since 1962-63. The settlement of audit observations in the Inspection Reports is held up for want of verification by local audit which is done during next Inspection.

(v) *Steps taken to reduce the number*

All the Drawing and Disbursing Officers have been asked to arrange the clearance of outstanding audit objections expeditiously by personal contacts with concerned A.G.'s wherever necessary. The Administrative Sections have also set up *ad-hoc* Committee for arranging expeditious settlement of Audit Objections.

(vi) *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

The position has been reviewed in the Ministry in two quarterly review meetings during 1974.

[O.M. No. 1-12/74-Budget, dt. 17-2-1975]

## ANNEXURE X

## MINISTRY OF AGRICULTURE AND IRRIGATION

(DEPARTMENT OF IRRIGATION)

1. *The reasons for a large number of Audit objections outstanding as on 31st August, 1973.*

The requisite information is given in Appendix I

2. *Number of Audit objections settled after the publication of the Audit Report (i.e. 3/74).*

The requisite information is given in Appendix II.

3. *Details of cases attracting Penal Sections 196 and 197 of the Indian Penal Code.*

No such case has been reported by any Controlling Officers under this Department.

4. *The reasons for a large number of Inspection Reports outstanding (in many cases since 1951-52).*

The requisite information is given in the Appendix III.

5. *Steps taken to reduce the number.*

The bulk of the outstanding observations (6,12.65 lakhs) relate to Garakka Barrage Project and have been placed under objection for want of sanctions to estimates of excess over sanctioned estimates. To effect reduction in the outstanding observations/inspection reports, an audit cell has been formed by the General Manager, Farrakka Barrage Project, for early disposal of the observations and Inspection Reports/Paras.

The Heads of Departments have been requested to take effective steps for speedy clearance of outstanding observations and Inspection reports. They have also been requested to furnish monthly progress reports in this regard. Mostly audit objections relate to the adjustment of T. A. advances and other advances drawn by Government servants and their adjustment bills have not been linked in accounts offices. Personal contact is being maintained with the Accounts

Offices to get the payments properly linked up and get the objections removed from the objection books. The disposal of the outstanding objections show considerable improvement as compared to the objections listed by the Audit in the Audit Report.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by the instructions contained in the Standing Guard File.*

The meetings are held periodically by the Controlling Officers at the appropriate level with the audit authorities concerned. Besides, personal contacts are maintained with the Accounts Offices concerned for explaining position in respect of outstanding Audit Observation/ Inspection Reports.

[O.M. No. 7(1)/75-Bud.—IF dt. 15-3-1975]

*Appendix I*

*Reasons for not squaring up the audit observation for so many years are as under:—*

(a) Sanctions for establishment not received.

(b) Sanctions not received for contingent and miscellaneous expenditure.

(c) Sanctions to estimates not received.

(d) Detailed bills for lump sum drawals not received.

(e) Vouchers not received.

(f) Payees receipts not received.

(g) Advances paid to Government servants not adjusted/ recovered.

(h) Agreements with contractors/suppliers not received.

(i) Payments to contractors/suppliers not in conformity with contracts and agreements.

(j) Overpayments or amounts disallowed in audit not recovered.

(k) Sanctions to write off of losses etc. not received.

(l) Sanctioned for reserve limit of stock/excess over reserve stock not received.

(m) Miscellaneous Public Works Department advances not recovered.

## *Appendix II*

### *Audit Observations*

| | As shown in CAG's Report 1972-73 | | Since Settled | | Balance | |
|---|---|---|---|---|---|---|
| | No. | Amount | No. | Amount | No. | Amount |
| CWC . . . | 2108 | 5963155 | 1068 | 3908780 | 1040 | 2054375 |
| GBWRD . . | 165 | 639248 | 108 | 401444 | 57 | 237804 |
| F.B.P. . . . | .. | .. | 27 | 3102369 | .. | .. |

*Appendix III*

***Inspection Report as Included in CAG's Report 1972-73***

| | No. | Paras | Settled | | Balance | |
|---|---|---|---|---|---|---|
| | | | No. | Paras | No. | Paras |
| CWC . . . | 88 | 283 | 24 | 98 | 61 | 185 |
| GBWRD . . | 20 | 66 | 10 | 37 | 10 | 29 |

**Reasons** for not squaring up the paras in the Inspection Report are due to non-compliance of the irregularities observed as under:—

(i) Wasteful and infructuous expenditure due to defective plans, designs and abandonment of works.

(ii) Extra cost to Government due to rejection of lowest tenders or delay in accepting tenders.

(iii) Excess payments due to non-observance of the conditions of contracts or non-provision of necessary safeguards in contracts.

(iv) Splitting up of purchase orders.

(v) Unauthorised financial aids to contractors.

(vi) Delay in effecting recovery of security deposits from contractors and payment of contractors bills.

(vii) Arrears in maintenance and/or non-maintenance of initial accounts of road metal, material-at-site accounts etc.

## ANNEXURE XI

## MINISTRY OF EXTERNAL AFFAIRS

(i) *Reasons for large number of audit observations outstanding as on 31st August, 1973.*

In para 51 of Chapter VII of the Report of the Comptroller and Auditor General of India for the year 1972-73, 8199 audit observations as outstanding on 31st August, 1973 have been indicated against this Ministry and various Missions/Posts abroad (numbering in all about 125 disbursing offices). A sizeable number of audit observations relates to the "non-production of payee's receipts". Wherever possible the payee's receipts are furnished to the audit office promptly but due to time consuming procedures relating to proper linking subsequently in the audit office, the audit observations continued to be shown outstanding. The A.G.C.R. has already been approached in this regard to dispense with the 'Payee's receipts' as in most of the cases the payments are made by the Missions/Posts abroad by crossed cheques and the receipts for such payments are not given by the parties concerned in such cases.

(ii) *No. of audit objections settled after the publication of the Audit Report.*

312 audit objections have already been treated as settled after the publication of the Audit Report.

(iii) *Details of cases attracting penal sections* 196 *and* 197 *of the Indian Penal Code.*

No such cases fall under this category.

(iv) *The reasons for a large number of inspection reports outstanding.*

In para 52 of the Report 307 Inspection Reports have been shown outstanding against this Ministry in respect of Headquarters/Missions/Posts abroad (numbering 125 disbursing offices). During the year 1973-74, 46 Reports and

302 paras of these Reports were settled which were not reflected in the Para 52 of the C. & A. G. Report, thereby leaving nearly 261 Reports yet to be settled. Some of the outstanding reports contains hardly one or two paras awaiting settlement. After the issue of the C. & A. G. Report, 232 paragraphs and 20 Audit Reports have also been settled.

(v) *Steps taken to reduce the number*

With a view to effect settlement of the outstanding audit objections, a periodical review of the Outstanding Objections/Audit Reports is carried out and the concerned Missions/Sections of the Ministry are guided/instructed to furnish the required information etc. For this periodical review separate control registers are also maintained. These periodical reviews have resulted in the settlement of large number of audit objection/Inspection Reports as mentioned in para (iv) above. Instructions to the Missions/Posts abroad are also periodically issued for the proper maintenance of various accounts records to avoid audit objections (copy enclosed).

(vi) *Number of meetings with Audit Officer for Settlement of outstanding audit objections*

Official employed on this work have visited the audit office a number of time in this regard resulting in the settlement of a number of old audit objections. Proposals for regular meetings with officials of the A.G.C.R. are being finalised. This arrangement is, however, not possible in the case of officers of the Directors of Audit, Indian Accounts, London and Washington. It is thus obvious that this arrangement has a limited utility so far as the Ministry and Mission etc., are concerned.

[O. M. N. Q/BF-IV/7341(1)/74 dt. 17-2-1975]

## ANNEXURE XII

### MINISTRY OF TOURISM AND CIVIL AVIATION

(DEPARTMENT OF TOURISM)

1. *The reasons for a large number of Audit observations outstanding as on* 31st *August*, 1973.

As on 31st August, 1973, a total of 458 Audit observations and 20 Inspection Reports were outstanding against the Department of Tourism (This number does not include figures for the Gulmarg Winter Sports Project information for which is awaited).

The objections as and when received from the Audit are attended to promptly by the Department. It however takes time till the objection is finally dropped by the A.G. as the Offices of the Department having been located in India and abroad, the Deptt have to correspond with those offices and in many cases have to process the cases for regularisation etc. through the Ministry of Finance. The raising of objections and their settlement is a continuous process and the delay is mainly due to completion of procedural formalities.

2. *No. of Audit Objections settled after the publication of the Audit Report.*

30.

3. *Details of cases attracting Penal Section* 196 *and* 197 *of the Indian Penal Code.*

NIL.

4. and 5. *The reasons for a large number of inspection reports outstanding (in many cases since* 1951-52).

AND

*Steps taken to reduce the number.*

There were only 20 Inspection Reports, the earliest relating to the year 1962-63. One out of these 20 Inspection Reports has already been settled. This number is not considered to be a large one in

so far as this Department is concerned and necessary steps are being taken to reduce this number also.

6. *Number of meetings with appropriation audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

Meetings are held with the appropriate accounts authorities at the time of local audit. The Deptt. would also arrange for such meetings with appropriation audit officers for settlement of outstanding audit objections.

[O.M. No. 7-2/74-IF dt. 22-2-1975]

(DEPARTMENT OF TOURISM)

## GULMARG WINTER SPORTS PROJECT

1. *The reasons for a large number of Audit observations outstanding as on 31st August, 73.*

As on 31-8-73, 4 Inspection Reports containing 15 audit paras have been shown outstanding against Gulmarg Winter Sports Project, Srinagar. All possible efforts to settle these are made.

2. *Number of audit objections settled after the publication of the Audit Report.*

8 Audit Paras contained in 3 Inspection Reports.

3. *Details of cases attracting Penal Section* 196 *and* 197 *of the Indian Penal Code.*

NIL.

4. and 5. *The reasons for a large number of Inspection Reports outstanding (in many cases since* 1951-52)

As explained above, at present there are only 7 paras pending with the Project Office. Position has been explained to the Audit Officer. These are still under correspondence and efforts are being made to drop/settle these areas as early as possible.

6. *Number of meetings with appropriation audit officers for the settlement of the outstanding Audit objections as required by the instructions in the Standing Guard File.*

Efforts are always made to settle all the old audit paras by discussions with Audit Officers concerned.

[O.M. No. 7-2/74-IF dt. 28.2.75]

## ANNEXURE XIII

## MINISTRY OF TOURISM AND CIVIL AVIATION

(DEPARTMENT OF CIVIL AVIATION)

1. *The reasons for a large number of Audit observations outstanding as on* 31.8.1973.

A large number of objections are outstanding for want of particulars of recovery of Pay, T.A., L.T.C. and other advances granted to Government Servants. Transfer of officials originally ordered were subsequently cancelled due to administrative reasons. In certain cases places of posting have also been changed. But the advances drawn at the first instance which were transferred to the concerned audit circle were neither withdrawn by the originating audit circle nor the refunds/recoveries effected passed on to the relevant audit circles with the result that the objections though cleared from the books of C.A.D. have remained outstanding in the books of audit offices. The matter is, however, being pursued vigorously with Audit Offices concerned. A few objections remained outstanding for want of revised sanctioned estimates.

2. *Number of audit objections settled after the publication of the Audit Report.*

After the publication of the Report, 674 items involving Rs. 5,32,284 have been settled and 305 items of money value Rs. 5,12,527 have been replied to. Confirmation from various Accountants General towards settlement of those objections is awaited.

3. *Details of cases attracting Penal Section* 196 *and* 197 *of the Indian Penal Code.*

There is no such objection.

4. *The reasons for a large number of inspection reports outstanding (in many cases since* 1951-52)

There are no Inspection Reports pertaining to the years 1951-52 to 1959-60. The paras in inspection reports are outstanding mainly due to non-implementation of workshop accounting procedure, delay in modification P.W.A. System, non-adjustment of value of unutilised stores at the close of year, non-recovery of arrears of revenue, non-maintenance of register of immovable properties, non-recovery of

licence fee of accommodation occupied by aerodrome staff who had migrated to Pakistan etc. The matters are already receiving attention in consultation with concerned authorities viz. audit, CPWD etc.

5. *Steps taken to reduce the number.*

The position regarding outstanding inspection reports is kept under constant and continuous revise and every effort is being made to reduce the number of outstanding paras. The subordinate field offices have been repeatedly directed to take effective steps to obtain settlement through special/demi-official letters at appropriate high level. The A.G. concerned have also been addressed requesting them to confirm settlement of paras for which final replies have already been furnished or to communicate further audit remarks only.

6. *Number of meetings with appropriate audit offices for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

In this connection instructions have already been issued to the controlling and Drawing & disbursing officers to establish personal contacts with the officers in the A.G's office for getting the maximum number of audit objections settled. In so far as outstanding Inspection Reports are concerned, standing instructions have also been issued to the officers in the lower formations to review the outstanding paras of the old Inspection Reports and prepare the disposal sheet for discussion and settlement of the paras with the officers of Audit visiting the offices on the local audit inspection.

[O.M. No. 7-2/74-I F. dt. 26-2-1975]

## ANNEXURE XIV

## MINISTRY OF TOURISM AND CIVIL AVIATION

(INDIA METEOROLOGICAL DEPARTMENT)

A **Audit observations : 360 items**

(i) *The reasons for a large number of audit observations outstanding as on* 31-8-1973.

The number of audit observations relating to India Met Department was 360. All these relate to outstanding 'Objection Book Items' i.e. advances granted to Government servants (269) remaining unadjusted in the books of A.G. for want of details of recoveries and want of detailed bills/stamped receipts (91 items). This is so on account of the fact that the number and variety of advances now-a-days granted to members of Staff are very large and because the adjustments/recoveries are effected mostly through various outstation treasuries. Further, on account of transfers of Government Servant, the treasury vouchers are often not reconciled with the outstanding O.B. items in the offices of A.G. These items therefore continue to be reported by the Accountant General despite the fact that the advances have been adjusted by the concerned office of the Department.

Out of 360 items 348 items have already been settled by 31-12-1974. Action is in progress to settle the remaining 12 items. Details of the 12 items are given in the Annexure.

(ii) *Number of audit observations settled after the publication of the Audit Report.*

222 items had been settled prior to the receipt of the Audit Report. 126 items were settled after the publication of the Audit Report.

(iii) *Details of cases attracting Panel Section* 196 *and* 197 *of the Indian Penal Code.*

— Nil —

B **Inspection Reports/Paras : 4 Paras.**

(iv) *The reasons for a large number of Inspection Reports outstanding (in many cases since* 1951-52).

Only 4 paras were outstanding as far as India Met. Deptt. is concerned, the oldest being 1968-69. Out of these, 2 paras had already been settled at the time of receipt of the Audit Report. Action is still in progress to settle the remaining 2 paras pertaining to the year 1968-69 & 1970-71. The latest position of these paras is given in the Annexure.

(v) *Step taken to reduce the number.*

Only 2 items are now outstanding.

As soon as the Inspection Reports are received, action is initiated by the offices concerned to settle the paras to the satisfaction of audit. The Heads of Offices personally see that action is taken expeditiously. The progress of settlements of audit report is inspected by the Deputy Director General of Observatories (Administration) in the course of his visits when he suggests ways and means to remove any bottlenecks in the disposal of the items.

The 2 paras (details of which are given in the Annexure) are still pending in view of their complicated nature.

(vi) *Number of meetings with the appropriate audit Officers for the settlement of the outstanding audit observations as required by instructions in the Standing Guard File.*

It is difficult to indicate the exact number of meetings with the audit officers. As and when considered necessary concerned officers and members of Accounts Section in the different offices of the Department are deputed to visit the A.G.'s Offices to discuss personally with the Audit Officers for settlement of outstanding items.

(O.M. No. 7-2/74-IF, dated 22-2-1975)

## India Meteorological Department

## (BHARAT MAUSAM VIGYAN VIBHAG)

*Comptroller and Audito General Report (Civil) for the year 1972-73 Brief on Para 51 & 52 of Audit Report (Civil) for the year 1972-73.*

(Chapter VII—Page 166 & 168)

| Period. | Number included in C.&A.G.'s Report | | | Number settled (as on 31-12-74). | | | Number outstanding as on 31st Dec., 1974 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Audit Obsn. | Inspection Report | | Audit Obsn. | Inspection Report | | Audit Obsn. | Inspection Report | |
| | | No. | Paras | | No. | Paras | | No. | Paras |
| 1966-67 | 1 | | | 1 | | | | | |
| 1967-68 | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 1968-69 | 4 | 1 | 1 | 4 | | | | 1 | 1 |
| 1969-70 | 3 | | | 2 | | | 1 | | |
| 1970-71 | 10 | 1 | 1 | 10 | | | | 1 | 1 |
| 1971-72 | 114 | 1 | 2 | 107 | 1 | 2 | 7 | | |
| 1972-73 | 228 | | | 224 | | | 4 | | |
| TOTAL | 360 | 3 | 4 | 348 | 1 | 2 | 12@ | 2@ | 2@ |

@Vide Annexure

## ANNEXURE

India Meteorological Department

(Bharat Mausam Vigyan Vibhag)

Latest position of pending audit observations and inspection reports as on 31st Dec., 1974.

### A: AUDIT OBSERVATION

Office: DIRECTOR GENERAL OF OBSERVATORIES, NEW DELHI

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II—Objection Book Item: 4 Items (Non-Gazetted Officers) (1972-73). (Received in May, 1974).

These items relate to adjustment of advances drawn by members of staff. The items are under scrutiny in A.G's Office and his reply is awaited.

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Office:—DIRECTOR, REGIONAL METEOROLOGICAL CENTRE, NEW DELHI

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Objection Book Item: 1 item (Non-Gazetted Officer) 1969-70 (Rs. 240)

This item relates to immediate relief gratuity granted to the widow of late Shri Babu Lal. An officer was deputed to discuss the case with the Accounts Officer. After discussion it was decided to effect is being recovered from the widow who is also employed in this department in 12 monthly instalment at Rs. 20 per month from July, 1974. 5 instalments have already been recovered. The observation will be cleared after the full amount is recovered.

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Office:—DIRECTOR, REGIONAL METEOROLOGICAL CENTRE, BOMBAY

Objection Book Items: 7 items (Non-Gazetted Officers) 1971-72 (Rs. 9,201.44)

The particulars of adjustment/stamped receipts in respect of the 7 items have already been furnished to audit with the request to delete them from his book. Audit has also been contacted personally to settle these observations.

## B—INSPECTION REPORTS

Office:—DIRECTOR, REGIONAL METEOROLOGICAL CENTRE, CALCUTTA

*Inspection Report* 1968-69: 1 *Para* (*Rs.* 6,159.69p.)

Para: *Embezzlement of cash by late Shri M. M. Mondal Ex-Cashier*

In the Audit report for the period from 1-12-1966 to 31-7-1968 audit pointed out loss of Rs. 7,381.46 on actual verification of Cash Book & Chest. The case was investigated. As a result of disciplinary proceedings instituted, the Cash Officer concerned was censured and a recovery of Rs. 1,221.77 was made from him. The balance of Rs. 6,159.69 of the lost amount was recoverable from Shri M. M. Mondal, Ex-cashier who is no more.

2. Out of Rs. 6,159.69 a sum of Rs. 691.28 has been recovered and credited to Government account. Regarding recovery of the balance from the assets of late Shri Mondal the Government Pleader has already filed a recovery suit in the Court against the heirs of late Shri Mondal.

Office:—DIRECTOR, REGIONAL METEOROLOGICAL CENTRE, BOMBAY

*Inspection Report* 1970-71: 1 *Para*

Para: *Non-recovery of rent for residential flats at Goa*

Erstwhile Portuguese Services Meteorologico, Goa was integrated with India Meteorological Department with effect from 1-6-1963 and the assets of the service including certain residential quarters became the assets of India Meteorological Department from that date.

But, the two flats at Baine were occupied by the Indian Navy and Customs Authorities. One of the residential flats at Baina was taken over by this Department from the Navy on 22-1-1973. The matter has been referred to Director of Audit, Panaji.

The second flat at Baina, which is still in occupation of Custom Officer, has not yet been released to this Department. The Chief Secretary, Goa, Daman & Diu has been reminded to expedite release of this flat. Audit has been informed of the position.

[O.M. No. 7/2/74-IF, dated 22-2-75]

## ANNEXURE XV

## MINISTRY OF STEEL AND MINES

(DEPARTMENT OF STEEL)

1. *The reasons for a large number of Audit observations outstanding as on 31st August, 1973.*

The number of outstanding audit observations is not large. Only 79 out of the 8,717 Audit observations referred to in para 51 of CAG's Report pertain to the Department of Steel. Of these 79 observations, 49 pertain to the Secretariat proper of the Department of Steel and 30 pertain to Iron and Steel Control organisation. Year-wise break-up of these observations is as under :—

| Year | No. of outstanding observations | | Remarks. |
|---|---|---|---|
| | Deptt. of Steel (Delhi) | I&SC Orgn. (Calcutta) | |
| 1959-60 | .. | 1 | |
| 1960-61 | .. | 2 | |
| 1961-62 | .. | 4 | |
| 1962-63 | 3 | 1 | |
| 1963-64 | 2 | 3 | |
| 1964-65 | 1 | .. | |
| 1965-66 | .. | 1 | |
| 1966-67 | 1 | .. | |
| 1967-68 | .. | .. | |
| 1968-69 | 3 | 1 | |
| 1969-70 | 3 | .. | |
| 1970-71 | 5 | 5 | |
| 1971-72 | 6 | 8 | |
| 1972-73 | 25 | 4 | |
| TOTAL | 49 | 30 | |

2. *Number of audit objection settled after the publication of the Audit Report.*

Replies had been sent to the concerned audit offices in all these cases. Further clarifications, however, had been sought. The necessary information is under compilation and it is expected that these would be cleared in the next few weeks.

3. *Details of cases attracting Penal Section 196 and 197 of the Indian Penal Code.*

None of these cases attract the Penal Section 196 and/or 197 of the Indian Penal Code.

4. *The reasons for a large number of inspections reports outstanding (in many cases since 1951-52).*

Neither the number of outstanding inspection reports is large nor any of them is pending since 1951-52 Details of outstanding reports are as under:—

| Year | Total Member of Outstanding | | | |
|---|---|---|---|---|
| | Inspection Reports | | Paras. | |
| | Secretariat | I&Sc. Orgn. | Secretariat | I&Sc. Orgn. |
| 1970-71 | 1 | .. | 1 | .. |
| 1971-72 . . . . . | 1 | 3 | 5 | 6 |
| | 2 | 3 | 6* | 6 |

*3 Paras closed since the publishing of the Audit Report. One more para being closed this week. This would leave only 2 paras outstanding in Secretariat.

5. *Steps taken to reduce the number.*

As far as the Department of Steel is concerned only 3 paras are now outstanding and of these one is likely to be dropped as the compliance of it is being shown to audit party now inspecting the accounts for 1973-74. As regards Iron & Steel Control the matter is being pursued by the Controller.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

It was not considered necessary to have frequent meetings with audit office as most of the cases required correspondences with different Departments/Offices. However, the status of the outstanding objections/paras will be/is being reviewed with the Local Audit Party when they periodically visit the Department for inspecting their accounts.

[O.M. No. BGT-4(3)/74 dated 7-3-1975]

## ANNEXURE XVI

### MINISTRY OF FINANCE

(DEPARTMENT OF EXPENDITURE)

1. *Reasons for a large number of Audit Observations outstanding as on* 31-8-1973.

2. *Number of Audit Observations settled after the publication of the Report.*

| | | |
|---|---|---|
| (a) AGCR (GM & TM Sections) | 867 | 1053 |
| (b) Other AG's | 186 | |

Details of the 867 audit observations show by the A.G.C.R. as outstanding on 31-8-1973 against the Department of Expenditure, which were called for from A.G.C.R., have not been received. However, according to the Statement of outstanding audit observations forwarded by the A.G.C.R. to the Department on 30-8-73 and 8-11-73, 17 audit observations pertaining to non-gazetted staff and 295 audit observations pertaining to gazetted officers were shown as outstanding for six months or more. The 17 audit observations have been settled and final confirmation from A.G.C.R. is awaited. In respect of the remaining 295 audit observations, replies have been sent and no further communication has been received from the A.G.C.R.

As regards the audit observations raised by the AGs and shown as outstanding against the Department of Expenditure, since this Department does not have any officer outside Delhi, these observations do not appear to pertain to this Department except 2 outstanding items pertaining to the erstwhile Branch Secretariat at Calcutta. These two audit observations have already been settled. The matter has been taken up with the AGs concerned.

3. *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

'NIL'

4. *Reasons for a large number of inspection reports (in many cases* 1951-52).

5. *Steps taken to reduce the number.*

The break-up of the outstanding inspection reports as on 31-8-1973 is given below:—

| Name of Office. | Year of earlist inspection report | No. of inspection reports | No. of paras. |
|---|---|---|---|
| AGCR . . . . . | 1963-64 | 14 | 43 |
| Other AG's . . . . . | 1963-64 | 99 | 227 |
| TOTAL . . . | | 113 | 270 |

According to the list of inspection reports received from the AGCR, 14 inspection reports were outstanding against the Department of Expenditure and these have been settled.

As regards the inspection reports of other AGs the matter was pursued with various AGs concerned and it was found that the inspection reports do not pertain to the Department of Expenditure.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

The Audit Objections are being cleared after writing to the A.G.C.R. and other A.Gs and no formal meetings have been held.

[D.O. No. F.12(48)-E (Coord)/74 dated 21-3-1975]

## ANNEXURE XVII

## MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE & INSURANCE)

1. *Reasons for a large number of Audit Observations outstanding as on* 31-8-1973.

2. *Number of Audit Observations settled after the publication of the Report.*

The broad break-up of the audit observations outstanding against the Department of Revenue and Insurance as on 31-8-1973 is given below:—

| | |
|---|---|
| (a) A.G.C.R. (GM & TM) Sections . . . . . | 934 |
| (b) Other Accountants General . . . . . | 13061 |
| TOTAL . . . . . | 13995 |

The pending observations, to a large extent pertain to various types of advances drawn by officers and staff. Some of the factors which account for the pendency of the audit observations are briefly indicated below:—

(i) Transfer of officials concerned from whom recoveries, are due, to other offices.

(ii) Change of designation of the drawing and disbursing officer.

(iii) Time lag between the actual settlement of the audit objections and final confirmation from the AGCR/AGs about the deletion of such items from their books.

Out of the 934 audit observations shown by A.G.C.R. against the Department of Revenue & Insurance 192 pertain to the Headquarter of the Department. The remaining audit observations pertain to the various attached and subordinate offices of the Department located in Delhi. 133 out of the 192 audit-observations have since been settled. One of the remaining 59 audit observations pertain to another Department. Action for early settlement of the remaining 58 audit observations being pursued with the A.G.C.R. and these are expected to be settled soon.

Information in respect of audit observations raised by the A.G.C.R. relating to the attached and subordinate offices located in Delhi is being collected. It has been found that some of these audit observations pertain to Delhi Sales Tax and State Excise, A.G.C.R. has been requested to delete these items from the list of audit observations shown against the Department.

As regards the 13061 audit observations pertaining to attached and subordinate offices located outside Delhi, information has since been collected from all except 8 offices. According to this information there were 7458 outstanding audit observations as on 31-8-1973 against these offices. Of these 3733 have since been settled and action for the settlement of the remaining outstanding audit observations is in progress.

Informaton in respect of the remaining 8 attached and subordinate offices is awaited Action has also being taken for reconciling the differences between the number of audit observations as shown by the A.G.C.R./A.Gs and the number as per the record of the attached and subordinate offices.

3. *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

There are no such cases.

4. *Reasons for a large number of inspection reports (in many cases since* 1951-52).

5. *Steps taken to reduce the number.*

The break-up of the outstanding inspection reports for the year 1972-73 is given below:—

| Name of office | Year of earliest inspection report. | No. of inspection reports. | No. of Paras |
|---|---|---|---|
| A.G.C.R. . . . . | 1955-56 | 165 | 487 |
| Other A.Gs. . . . . | 1958-69 | 514 | 1399 |
| TOTAL . . . | | 679 | 1886 |

The inspection reports shown by the A.G.C.R. as outstanding as on 31-8-1973 pertain to the attached and subordinate offices of the Department located in Delhi. The information from these offices is being collected

As regards the inspection reports shown by the various A.Gs as outstanding as on 31st August, 1973 the information collected so far from the attached and subordinate offices located outside Delhi shows that 295 inspection reports have since been settled and action for the settlement of the remaining inspection reports is in progress. Information is still awaited from 8 attached and subordinate offices located outside Delhi.

As in the case of audit observations there are some differences in the number of inspection reports as shown by the A.G.C.R./A.Gs as outstanding as on 31st August, 1973 and the number as per the records of the attached and subordinate offices. Actions is in progress to get this reconciled.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by the instructions in the Standing Guard File.*

Most of the Audit observations/Inspection Reports relate to routine matters. Meetings with the Audit Officers are held wherever necessary. In some cases officials were deputed to the Audit Offices to obtain clarifications for getting the objections settled. Besides, all outstanding objections are discussed with the Audit Party at the time of audit.

[D.O. No. F. 12 (48)-E (Coord)/74 dated 31-3-1975]

## ANNEXURE XVIII

## MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

1. *Reasons for a large number of Audit Observations outstanding as on 31st August, 1973.*

2. *Number of Audit Observations settled after the publication of the Report.*

The broad break-up of the audit observations outstanding against the department of Economic Affairs as on 31st August, 1973 is given below:—

| | |
|---|---|
| (a) A.G.C.R. (GN) . . . . . | 133 |
| (b) A.G.C.R. (TM) . . . . . | 44 |
| (c) Other A.Gs. . . . . | 412 |
| | 539 |

The statement enclosed to A.G.C.R's letter dated 18th November, 1973 with which the details of the outstanding audit observations were stated to have been forwarded to the Department contains details of only 158 audit observations. This statement included 53 items to which replies had already been furnished by the Department on 17th January, 1973. The replies in respect of the remaining 105 item relating to 1972-73, with full details, relevant challans etc., were furnished to the A.G.C.R. on 31st December, 1973. According to the AGCR's letter dated 15th June, 1974 to the Department, only 17 audit observations relating to year 1972-73 or earlier period were outstanding. Replies to these were sent to A.G.C.R. on 26th July, 1974.

On 28th January, 1975 the A.G.C.R. intimated that their T. M. Section has been requested to furnish the details of the 44 audit observations relating to that section. These have not been received so far and the matter is being pursued with the A.G.C.R.

412 Audit Observations relate to the attached and Subordinate offices spread all over India and were raised by as many as 15

accountants General. Replies to the audit observations are furnished by these attached and subordinate offices direct to the respective Accountants General. Information in respect of these 412 audit observations relating to attached and subordinate offices is being collected.

3. *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

No such cases have been brought to the notice of the Department.

4. *Reasons for a large number of inspections reports (in many cases since* 1951-52).

5. *Steps taken to reduce the number.*

The break up of the outstanding inspection reports as on 31-8-1973 is given below:

| Name of office. | Year of earliest inspection report. | No. of Inspection reports. | No. of paras. |
|---|---|---|---|
| A.G.C.R. (CA) . . . . . | 1966-67 | 13 | 40 |
| Other A.Gs. . . . . | 1966-67 | 34 | 70 |
| | | 47 | 110 |

According to the list of outstanding inspection reports for the year 1972-73 received from the A.G.C.R. with his letter dated 16-5-73, only 3 inspection reports containing 5 paras relating to the year prior to 1972-73 and 5 paras relating to the years 1972-73 were outstanding against the Department of Economic Affairs. Replies to all the 5 paras relating to the year prior to the year 1972-73 were sent to the AGCR and no further communication on the subject has been received from the AGCR. Replies in respect of 3 paras out of the 5 paras relating to the year 1972-73 have also since been sent to the AGCR. From the latest list of inspection reports received from the AGCR for the year 1973-74 it is observed that only 4 inspection reports containing 7 paras (the years of earliest reports being 1968-69) have been shown as outstanding against the Department of Economic Affairs.

As regards 34 inspection reports (70 paras), these relate to attached and subordinate offices of the Departments. The required information in respect of these inspection reports is being collected from the attached and subordinate offices.

6. *Number of meetings with appropriate Audit Officers for the settlement of the outstanding audit objections as required by the instructions in the Standing Guard File.*

Officials of the Department were deputed to the office of the A.G.C.R. for obtaining necessary clarification, further information, etc. required in connection with the settlement of audit objections.

[D.O. No. 12(48)E (Coord)/74 dated 21-3-1975]

## ANNEXURE XIX

## MINISTRY OF FINANCE

(DEPARTMENT OF BANKING)

1. *Reasons for a large number of audit observation outstanding as on 31-8-1973.*

2. *Number of Audit objections settled after the publication of the Report.*

The break-up of the audit observations outstanding against the Department of Banking as on 31-8-1973 is given below:—

| | |
|---|---|
| (a) A.G.C.R. . . . . | 105 |
| (b) A.G. Bombay . . . . . | 5 |
| TOTAL . . . | 110 |

The 5 audit observations raised by the A.G. Bombay and 55 out of the 105 audit observations raised by the AGCR have since been cleared. 32 more audit observations are expected to be settled shortly. Action for the settlement of the remaining 18 Audit observations is also in progress.

3. *Details of cases attracting Penal Sections 196 and 197 of the Indian Penal Code.*

NIL

4. *Reasons for a large number of inspection reports (in many cases since 1951-52).*

5. *Steps taken to reduce the number.*

The break-up of the outstanding inspection reports as on 31-8-1973 is given below:—

| Name of office | Year of earliest inspection report. | No. of inspection reports. | No. of paras. |
|---|---|---|---|
| A.G.C.R. (CA) . . . . . | 1955-56 | 6 | 14 |
| A.G. Assam. . . . . | 1972-73 | 2 | 6 |
| TOTAL . . . | | 8 | 20 |



566 LS—5

The Department of Banking came into existence in September, 1969. Bulk of the outstanding inspection reports which pertain to the period prior to September 1969, relate to the writing off of irrecoverable loans. These could be settled only after all possible steps to recover the amounts have been exhausted.

6. *Number of meetings with appropriate Audit Officers for the settlement of the outstanding Audit objections as required by the instructions in the Standing Guard File.*

A number of informal discussion were held with the officers of the Audit Office in connection with the settlement of outstanding audit observation with the settlement.

[D.O. No. F. 12(48)-E (Coord)/74 dated 21-3-1975]

## ANNEXURE XX

### MINISTRY OF ENERGY

(DEPARTMENT OF POWER)

1. *The reasons for a large number of Audit observations outstanding as on 31st August, 1973.*

Out of 6170 audit observations involving an amount of Rs. 1972.43 lakhs pertaining to the erstwhile Ministry of Irrigation and Power, the position in respect of Department of Power, is as under:—

*Audit Objections*

| Items | Amount |
|---|---|
| 2868 | 4,36,44 lakhs. |

These objections mainly relate to items for (i) want of vouchers; (ii) want of payees receipts; (iii) Advances paid to Government servants not recovered; (iv) recoveries from contractors not effected and (v) other reasons. Scrutiny of the outstanding items revealed that in number of cases, relating to adjustment of advances (TA, LTC and leave salary etc.), though the adjustment bills in respect of the items had been preferred by the drawing officers, the adjustments were not effected in the books maintained by the accounts offices due to non linking and the items remained unsettled.

2. *Number of audit objections settled after the publication of the Audit Report.*

*Audit Objections*

| Items | Amount |
|---|---|
| 690 | 15·20 lakhs |

3. *Details of cases attracting Penal section 196 and 197 of Indian Penal Code.*

No such case has been reported by the controlling officers.

4. *The reasons for a large number of Inspection reports outstanding (in many cases since 1951-52).*

Out of 645 inspection reports containing 5932 paras pertaining to the erstwhile Ministry of Irrigation and Power, the Position in respect of the Department of Power is as under:

*Inspection Reports*

| Number | Paras. |
|---|---|
| 404 | 4291 |

The paras in the inspection reports mainly relates to (i) Defects in maintenance of store accounts; (ii) Irregularities pertaining to works accounts; (iii) Delay in completion of works (iv) Objection regarding calling of tender and award of contracts; and (v) Other irregularities.

5. *Steps taken to reduce the number.*

The position of settlement of Inspection Reports is as under:—

*Inspection Reports*

| Number | Paras |
|---|---|
| *85 | 2225 |

NOTE: *The position of settlement of 1489 audit objections and 9 inspection reports containing 33 paras in the C & AG's report for 1972-73 pertaining to Salal and Baira Siul Projects have not been included as this required further verification. This will be furnished shortly.

Instructions have been issued to all the controlling Officers to take effective steps for speedy clearance of outstanding observations and Inspection Reports. They have also been asked to furnish monthly progress reports in this regard. Half yearly statements of Audit Objections and Inspection Reports are sent to the Controlling officers for taking immediate steps for their settlement. Discussions are held by the controlling officers with the accounts officers at appropriate level from time to time to accelerate the settlement of Audit objections/paras in the inspection reports.

6. *Numbers of meetings with the appropriate audit officers for the settlement of audit objections as required by instructions in the standing Guard File.*

Formal and Informal discussions are held by the controlling officers with the appropriate audit officers periodically.

[O.M. No. G25012/4/75-Bud. dated 10-3-75]

## ANNEXURE XXI

### MINISTRY OF DEFENCE

(DEPARTMENT OF DEFENCE)

1. *The reasons for a large number of audit observations outstanding as on* 31-8-1973.

The most of the objections shown in the C.A.G's Report for the year 1972-73 pertain to adjustment bills for advances on account of T.A., Leave Travel Concession and Leave Salary. It appears that in majority of cases, these remained outstanding for want of proper linking in the books of A.G.C.R.

2. *Number of Audit Objections settled after the publication of the Audit Report.*

Out of 213 objections, 181 objections have since been settled and earnest efforts are being made to finalise the remaining 32 objections.

3. *Details of case attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

NIL

4. *The reasons for a large number of inspections reports outstanding (in many cases since* 1951-52).

No objection pertaining to inspection Reports on this Ministry was reflected in the C & A.G.'s Report for the year 1972-73.

5. *Steps taken to reduce the number.*

A watch is being kept for prompt settlement of all audit objections raised from time to time by means of an audit objections register. Besides, all concerned have been advised to disposed of audit objections on top priority basis.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

As in majority of cases A.G.C.R. desired to have the details of adjustment bills, it was not necessary to hold meetings to settle the objections as these could be disposed of by furnishing the relevant details.

[D.O. No.10(4)-74/D (Est-2)/Cash dt. 20.3.75.]

## ANNEXURE XXII

## DEPARTMENT OF SCIENCE AND TECHNOLOGY

1. *The reasons for a large number of Audit observations outstanding as on 31-8-1973.*

As per information received from various subordinate offices of this Department there were in all 268, audit observations outstanding as on 31-8-1973. The objections remain outstanding mainly for want of adjustment bills in the case of pay and T.A. advances, detailed contingent bills in support of abstract contingent bills, and vouchers in support of included in contingent bills. Out of 268 outstanding audit observations 267 observations relate to Survey of India, Dehradun, and one relates to Zoological Survey of India, Calcutta. 265 objections relating to the Survey of India have since been settled.

2. *No. of audit objections settled after the publication of the audit report.*

265

3. *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

NIL

4. *The reasons for large number of Inspection Reports outstanding (in many cases since* 1951-52).

No Inspection Report has been shown outstanding against this Department in para 52 of the Audit Report.

5. *Steps taken to reduce the number.*

Please see reply to item (4) above.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

The two outstanding objections relating to the survey of India are in respect of recovery of wrong payment of Electricity Board. The Director Southern Circle, Survey of India, Bangalore, has taken up the matter with the Board authorities. As regards the remaining one objection the A.G. concerned has been requested to waive the objection.

[O.M. No. G. 25011 (10)/74-A/Cs dated 27-2-75]

## ANNEXURE XXIII

### CABINET SECRETARIAT

(DEPARTMENT OF PERSONNEL AND ADMINISTRATIVE REFORMS)

1. *The reasons for large number of audit observations outstanding as on 31st August, 1973.*

The number of audit observations and inspection reports outstanding on 31-8-1973, relating to the Department of Personnel and Administrative Reforms and its attached and subordinate Offices, is only 245 (*i.e.* 190 Audit observations and 55 inspection report) as reported by the attached and subordinate offices. Pendency of these objections and inspection reports is very small and this is mainly due to the following reasons:—

(a) Replies have already been sent to the AGCR and their acceptance or any further comments are awaited.

(b) Some of the objections are pending discussion with the audit party during their next visit to the respective offices.

(c) In some cases the replies having already been sent and the AGCR desires to review/verify the position at the time of next audit.

(d) In some cases the audit observations pertain to some items like non-receipt of payees' stamped receipt which are still awaited from the payees concerned and every effort is being made to obtain the same at an early date.

2. *Number of audit objections settled after the publication of the Audit Report.*

106 observations and 29 inspection reports (total 135) were settled after 31-8-73 leaving a balance of only 84 observations and 26 inspection reports (total 110).

3. *Details of cases attracting penal sections 196 and 197 of the Indian Penal Code.*

None.

4. *The reasons for a large number of inspection reports outstanding (in many cases since* 1951-52).

As will be observed from the position stated under point (i) the number of inspection reports outstanding is not large. It may also be added that in Chapter VII (para 52) of the Audit Report no inspection reports have been shown as outstanding relating to the Cabinet Secretariat.

5. *Steps taken to reduce the number.*

(a) The settlement of outstanding objections/reports is done as far as possible by discussion with the audit parties as and when they visit the respective offices. Efforts are also made to settle the objections by visiting the office of the AGs concerned.

(b) The firms concerned are being expedited to send the stamped receipts at an early date.

(c) Monthly progress reports have been prescribed for the attached and subordinate offices. The progress of settlement of audit observations and inspection reports is watched through these reports and suitable instructions issued where necessary.

(d) We have again taken up with the Accountants General of various circles to intimate the exact number of objections relating to offices under the control of Department of Personnel and Administrative Reforms to enable to see that the few remaining objections/ inspection reports are also disposed of.

6. *No. of meetings with appropriate audit offices for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

Generally attached and subordinate offices of this Department have meetings with the authorities for speedy settlement of outstanding items when the audit parties visit those offices. The exact number of such meetings is not however, available.

[D.O. No. 11/1/75—Ad.II dated 24-3-75 and 29-3-1975]

## ANNEXURE XXIV

## MINISTRY OF STEEL AND MINES

### (DEPARTMENT OF MINES)

*Secretariat Proper*

1. *Reasons for a large number of audit observations outstanding as on 31st August, 1973.*

The number of audit observations relating to Secretariat proper of the Department of Mines is not larger. A total of 96 outstanding Audit Observations were indicated by AGCW&M, and a large majority of these would not have been included in the list, had the necessary adjustments been carried out in the AG's office. These observations relate mainly to adjustment of pay and T.A. advances of officers and staff in the Department of Mines. The reason why these audit observations remained outstanding is that even though, in most cases, the necessary adjustment bill had not been sent to the AGCW&M the adjustments had not been carried out in that office. These thus continued to be shown as outstanding.

2. *Number of audit objections settled after the publication of the Audit Report.*

Out of the 96 observations, details in respect of 83 audit observations and particulars of connected adjustment bills have again been furnished to AGCW&M, after the publication of the Audit Report. On this basis, he had been requested to treat the audit observations as settled. Details of the remaining 13 audit observations are awaited from AGCW&M and these will also be settled on receipt of the information.

3. *Details of cases attracting Penal Section 196 and 197 of the Indian Penal Code.*

NIL

4. *The reasons for a large number of inspection reports outstanding (in many cases since 1951-52).*

No paragraphs in inspection reports relating to the Secretariat proper of the Department of Mines are pending for any year prior

to 1970-71. Only 4 paragraphs in inspection reports for the years 1970-71 and 1971-72 are pending.

5. *Steps taken to reduce the number.*

Action has been initiated to comply with the directions contained in the 4 pending paragraphs in the inspection reports.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections.*

Members of the staff have been sent to meet the Audit officers concerned for the settlement of the outstanding observations and inspection reports. Six such meetings were held with the persons concerned in the audit office.

[O.M. No. 4/1/75-IF dated 26-3-75.]

## ANNEXURE XXV

## DEPARTMENT OF MINES

### (GEOLOGICAL SURVEY OF INDIA)

1. *Reasons for large number of Audit objections outstanding as on* 31-8-1973.

The Bulk of the audit objection as shown outstanding in the statement relate mainly to Fourth Plan period. In the first phase of the Fourth Plan, the activities of the Department increased manifold. In comparison to earlier period there has been an increase in the strength of scientific and technical Officers and staff by 40 per cent over the earlier number almost in all cadres. This large organisation with its self drawing officers scattered all over India had to cope up with the increased activities of the organisation from the time of the Fourth Plan period. It will be seen from the statement that number of audit objections for 1960-70 and onwards is considerably large. This is mainly due to increase and expanded activities of the Department. The other reasons is that payments almost in all offices are drawn from the local Treasury. The major items of objection are for adjustment of advances. After some particular advance is adjusted in an office dealing with Treasury, it takes 5/6 months for the voucher to reach Accountant General's office routed through the local Accountant General. In many cases even after an advance is adjusted in full, the same is shown as outstanding for want of proper linking.

2. *No. of audit objections settled after the publication of the Report.*

1836 total number of objections including paras have been settled after the publication of the Report.

3. *Details of cases attracting Penal Section* 196 *and* 197 *of Indian Penal Code.*

NIL

4. *The reasons for a large number of Inspection Report (in many cases since* 1951-52).

No old paras since 1951-52 are pending. Only a few paras are outstanding since 1964-65 which are also expected to be settled soon.

5. *Steps taken to reduce the number.*

All possible efforts by issue of repeated instructions, reminders etc. to all the paying officers are being made for quick disposal of audit objections and reducing number thereof. The position is expected to improve in the next year.

6. *Number of meetings with appropriate Audit office for the settlement of outstanding audit objections as required by instructions in the standing guard file.*

Representatives from Central Headquarters and Regional level are sent to respective audit offices from time to time for spot settlement of objection and this has helped a long way in the settlement of long outstanding objections.

[O.M. No. 4/1/75-IF dated 26-3-75]

## ANNEXURE XXVI

## DEPARTMENT OF MINES

(INDIAN BUREAU OF MINES)

1. *The reasons for a large number of Audit observations outstanding as on 31st August, 1973.*

2. *Number of Audit objections settled after the publication of the Audit Report.*

(1) and (2) according to Audit Report 1972-73 there were 543 Audit objections pending as on 31-8-73 with the Indian Bureau of Mines. The main reason for pending objections is that the Audit Office unfortunately did not link up the records about their settlement. This resulted in carry forward of a large number objections already settled by the Bureau. There are thus only 94 objections pending for settlement as on 31-8-73. The information required by the Audit in respect of these 94 objections has been sent to them for final settlement. These will be settled soon through personal discussions with the Audit Office.

3. *Details of cases attracting Penal Sections* 196 *and* 197 *of the Indian Penal Code.*

NIL

4. *The reasons for a large number of Inspection Reports outstanding (in many cases since* 1951-52).

Out of 17 Inspection Reports pending with Indian Bureau of Mines, 10 have been settled and the remaining 7 are under settlement with the Audit. These will be cleared soon.

5. *Steps taken to reduce the number.*

All possible efforts are being made to settle the outstanding Audit objections through regular correspondence and periodical meetings with the Audit Officers.

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

After August,1973, three meetings were arranged with the officers of the Audit Office, Bombay for settlement of the Audit objections pending in Indian Bureau of Mines.

[O.M. No. 4/1/75-IF dated 26-3-75]

## ANNEXURE XXVII

### DEPARTMENT OF MINES

(CONTROLLER OF MINING LEASES)

1. *The reasons for a large number of audit observations outstanding as on 31st August, 1973.*

2. *Number of Audit Objections settled after the Publication of the Audit Report.*

(1 & 2) Only one audit objection was outstanding against Controller of Mining Leases as on 31-8-73. This objection has since been settled.

3. *Details of cases attracting Penal Sections 196 and 197 of the Indian Penal Code.*

NIL

4. *The reasons for a large number of inspection reports outstanding (in many cases since 1951-52).*

No inspection report is pending.

5. *Steps taken to reduce the number.*

6. *Number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

(5) and (6) As no audit objection is outstanding against Controller of Mining Lease, the question of holding frequent meetings with the Audit is not considered necessary.

[O.M. No. 4/1/75-IF dated 26-3-75]

## ANNEXURE XXVIII

### MINISTRY OF STEEL AND MINES

(DEPARTMENT OF MINES)

Airborne Mineral Surveys and Exploration

1. *Reasons for large number of Audit Objections outstanding as on* 31-8-1973.

71 audit objections are shown outstanding against Airborne Mineral Surveys and Exploration in the Accountant General, Commerce, Works and Miscellaneous letter No. Rep. 1104()-AR-72-73/ Vol. III/528-525, dated the 30th July, 1974. These objections have since been settled.

2. *No. of audit objections settled after the publication of the Report,*

71.

3. *Details of cases attracting Penal Sections* 196 *and* 197 *of Indian Penal Code.*

NIL

4. *The reasons for a large number of Inspection Report (in many cases since* 1951-52).

There is no outstanding Inspection Report in respect of Airborne Mineral Surveys and Exploration, Wing of GSI, since 1951-52. Only the following 10 paras of the Inspection Reports are outstanding:—

| | |
|---|---|
| 1. Local Audit Report for the period ending 3/72 . . | 1 |
| 2. Local Audit Report for the period 4/72 to 3/73. . . . | 9 |
| TOTAL . . . | 10 |

All the above outstanding paras were discussed with the Assistant Accountant General, CW&M, Madras, when the last Local Audit Party visited the office of the Airborne Mineral Surveys and Exploration in April, 1974. Subsequently, the Local Audit Report for the period 4/73 to 4/74 was received in August, 1974. In this report no paras were shown as outstanding in Part I of that Report. It was, therefore, thought that all the outstanding paras have been treated

as settled. However, it is now seen from the Senior Deputy Accountant General, C.W.&M. Bombay's letter No. OAV II(84)/74-75/2837 dated the 3rd February, 1975 (copy enclosed) that the above 10 outstanding paras have not been closed. The matter has again been taken up with the Sr. D.A.G., C.W. & M., Bombay, and it is expected that these paras will be settled very shortly. Single para relating to the year 1971-72 which is outstanding, is in respect of theft cases. The cases have already been investigated by the Police authorities and necessary action for obtaining write-off sanction of the competent authority is in progress.

5. *Steps taken to reduce the number.*

Compliance report in respect of the 10 outstanding paras in question has already been sent to the Senior Deputy Accountant General C.W. & M., Bombay and the matter will be discussed personally by the Assistant Administrative Officer of the Airborne Mineral Surveys and Exploration with the Senior Deputy Accountant General, Commerce, Works and Miscellaneous, Bombay in early April, 1975.

6. *Number of meetings with appropriate Audit Offices for the settlement of outstanding audit objections as required by instructions in the standing guard file.*

All the audit objections were discussed with the Assistant Accountant General, Commerce, Works and Miscellaneous, Madras in May, 1974 and settled.

[O.M. No. 4(1)/75-IF dated 4-4-1975]

*Report on the Position of old outstanding inspection Reports for the period ending 30th September, 1974*

[ Forwarded on 3-2-75 ]

Reports upto 30-9-1974/31-3-1974

Name of the Ministry : Ministry of Mines and Metal, New Delhi.

Name of Office : Airborne Mineral Survey, Bangalore

Paras outstanding for more than one year/six months.

| S.No. | Year of File issue | File No. | Period of the L.A.R. | Details of paras outstanding | Total No. paras | Particulars of latest reference/ remarks. |
|---|---|---|---|---|---|---|
| 1 | 72-73 M &M /14 (61) | 72-73 | LAR for the period ending 3/72 | Para 3 | 1 | M & M /14(61) 72-73/769---70 dated 5th Aug. 1972. |
| 2. | 73-74 OAC M & M/14 (34) | 72-73 | LAR for the period ending 2/73. | Paras 1 to 9 | 9 | M & M/14 (34)/72-73/350-51 dated the 16th June, 1973. |

PART B

NIL

Year wise analysis

| Year | Report | Paras |
|---|---|---|
| 72-73 | 1 | 1 |
| 73-74 | 1 | 9 |
| | 2 | 10 |

Sd/-Accounts Officer.

## ANNEXURE XXIX

## MINISTRY OF SUPPLY AND REHABILITATION

### (DEPARTMENT OF REHABILITATION)

1. *The reasons for a large number of audit observations outstanding as on 31st August, 1973.*

A large number of objections relate to the Dandakaranya Project and Settlement Wing of the Department of Rehabilitation. The Dandakaranya Project authorities have reported that objections relating to works expenditure need regularisation by preparing completion reports in respect of completed works with reference to uptodate expenditure. In certain cases the payments have been made to State Governments/Departments for land acquisition for which detailed accounts are awaited. In still some other cases, certain bills, vouchers and other connected documents have been seized by the C.B.I./Special Police Establshment etc. without which detailed bills could not be submitted and consequently the advances remain outstanding till the documents are available. Many of the audit objections relating to the Settlement Wing pertain to the various defunct offices, the records of which have to be obtained for being examined.

The audit objections relating to the category where some information is to be collected from various spending authorities or some old documents/records are to be traced and produced before Audit, the time required for settlement is usually longer as the wanting information/documents sometimes are not readily available particularly in cases where the offices are wound up and residuary work is transferred to another office.

II. *No. of audit objections settled after the publication of the Audit Report:*

| | | |
|---|---|---|
| Paragraph 51<br>Audit Observations . . . . . | 1232 | Settled upto<br>31-1-1975 |
| Paragraph 52<br>Paras included in the Inspection Reports. . . | 972 | Settled upto<br>30-6-1974 |

III. *Details of cases attracting Penal Sections 196 and 197 of the Indian Penal Code:*

Except Dandakaranya Project authorities, all other subordinate formations have intimated that there are no such cases. The information in respect of Dandakaranya is being collected by the Project authorities.

IV. *The reasons for a large number of inspection reports outstanding (in many cases since 1951-52).*

The non-settlement of old Inspection Reports relating to Dandakaranya Project is mainly due to closure of some organisations of the Project and their consequent merger with some other Departments. As a result, initial records could not be linked up and suitable replies furnished to Audit. Other main factors resulting in delay in the settlement of the Inspection Reports relating to the Project are:—

(i) non-issue of orders regularising the expenditure, write off of loses;

(ii) delay in effecting recoveries pointed out by Audit;

(iii) delay in carrying out adjustments relating to inter-departmental transfers;

(iv) non-obtaining of securities from the persons handling cash and stores;

(v) non-rectification of improper stores accounts;

(vi) non-regularisation of losses on account of long storage;

(vii) non rectification of defects in the maintenance of log books of vehicles, loan accounts and other accounts records;

(viii) non-regularisation of expenditure incurred and purchases made without prior sanction of competent authority;

(ix) delay in depositing money collected on Government account and non-compliance of other miscellaneous irregularities.

Some of the old Inspection Reports of the Settlement Organisation relate to various regional offices which have been closed down. Due to closure of such sub-offices and transfer of the old record to the State Governments, the settlement of the Inspection Paras has been somewhat delayed. The matter regarding transfer of the residuary work and the settlement of Inspection paras to the State Governments has been under consideration.

The non-settlement of Inspection Report relating to Rehabilitation Reclamation organisation is due to delay in settlement of Railways' claims, audit paras regarding shortages and excess of stores and POL, idle hours due to non-availability of land for reclamation etc.

*V. Steps taken to reduce the number; and*

(a) Periodical reports on the progress achieved towards the liquidation of audit objections are being obtained. D.O. letters at appropriate levels are issued where the progress achieved is not considered satisfactory, stressing the need to pay special attention to early clearance of audit objections.

(b) Priority is being given to the disposal of old objections by discussions with the Audit Officers.

(c) For expeditions disposal of audit objections relating to Dandakaranya Project:—

(i) *Ad-hoc* Committees comprising representatives of Administration, Audit and Ministry of Finance have been appointed to examine and settle the more important and old objections.

(ii) Insepection Officers are addressed by the Financial Adviser and Chief Accounts Officer, Dandakaranya Development Authority, to discuss at the time of inspection the outstanding objection and impress upon the departmental officers to expedite their settlement.

(iii) In tripartite meetings, in which the Deputy Accountant General, Assistant Financial Adviser and Chief Accounts Officer (Reports) and the Departmental Officers meet, the briefs are discussed and ways and means found out to settle the objection paras keeping in view the D.A.G's specific requirements.

(iv) It was decided by the *Ad-hoc* Committee that Heads of Offices and the Assistant Financial Adviser and Chief Accounts Officer should discuss the outstanding objections with the Deputy Accountant General, Dandakaranya Project, once in a quarter and this discussion should take place before the *Ad-hoc* Committee meeting. Such Inter-departmental meetings are held periodically for effecting settlement of the audit objections.

(v) Whenever the Chief Administrator, Dandakaranya Project, goes on tour, the position of outstanding Inspection Reports/paragraphs and reasons for delay are checked and discussed with the Field Officers to ensure submission of final replies by the prescribed dates.

(vi) The Tripartite meetings are held for speedy settlement of outstanding Inspection Report paras by selecting a few departmental officers for each meeting. The progress of work of Triangular Committee is reviewed by the Chief Administrator, Financial Adviser and Chief Accounts Officer and Deputy Accountant General and instructions are issued to ensure speedy disposal of the outstanding paras.

(vii) The Chief Administrator has also introduced a system of internal administrative inspection by a Monitoring and Information Cell. Outstanding Audit Observations are reviewed during this administrative inspection and suitable steps initiated for their settlement.

VI. *Number of meetings with appropriate audit Officers for the settlement of the outstanding audit objections as required by instructions in the Standing Guard File.*

| | | |
|---|---|---|
| (i) No. of *Ad-hoc* Committee Meetings held. | 17 | Upto 30-6-1974. |
| (ii) No. of Triangular Committee Meetings held. | 76 | |

[O.M. No. G. 25012/2/74-Budget dt. 16/18 April, 1975]

## Annexure XXX

## MINISTRY OF EDUCATION AND SOCIAL WELFARE

### (DEPARTMENT OF SOCIAL WELFARE)

1. *The reasons for a large number of Audit Observations outstanding as on 31st August, 1973.*

The Department is concerned with 456 Audit observations and 720 Inspection Report paras involving Ministry of Home Affairs, Delhi Administration and this Department's Subordinate offices. Details regarding the reasons for their non-settlement is still awaited from them.

2. *Number of Audit Objections settled after the publication of the Audit Report.*

42.

3. *Details of cases attracting Penal Sectoins 196 and 197 of the Indian Penal Code.*

NIL.

4. *The reasons for a large number of Inspection Reports outstanding (many cases since 1951-52)*

Information is being collected.

5. & 6. *Steps taken to reduce the number; and number of meetings with appropriate audit officers for the settlement of the outstanding audit objections as required by inspections in the Standing Guard File.*

Discusssions on the objections are held with the Audit party when they make annual audit inspection.

[O. M. No. G. 25012/6/75-Bgt. dt. 19.4.1975]

## APPENDIX

*Summary of main Conclusions/Recommendations*

| S. No. | Para No. | Ministry/Dept. concerned | Recommendations/conclusions |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1. | 1.6 | All Ministries/Depts. | The Committee take a very serious view that the Ministries/Departments have tried to extenuate the unusual delays in settling a large number of outstanding audit observations totalling 1,34,820 as administrative lapse. All the five types of audit objections, namely (i) sanctions for establishment not received (Rs. 35.00 lakhs), (ii) sanctions not received for contingent and miscellaneous expenditure (Rs. 3,95,49 lakhs). (iii) sanctions to estimates not received (Rs. 13,80,73 lakhs). (iv) detailed bills for lump sum drawals not received (Rs. 7.60,22 lakhs) and (v) vouchers not received (Rs. 17,24,61 lakhs) are of very serious nature and have to be taken seriously. The Committee would require that responsibilities should be fixed on the concerned drawing/disbursing officers. |

| 1 | 2 | 3 | 4 |
|---|---|---|---|
| 2. | 1.7 | Do | The outstanding audit observations reveal serious failur of the administrative ministries to regulate expenditure strictly according to financial rules. The Committee desire that Government should make every effort to ensure that the audit observations are complied with within a reasonable period of time. The outstanding audit objections with details should be shown in the Annual Reports of the Ministries Departments, Statutory and Autonomous Bodies. |
| 3. | 1.8 | Do | The Committee have no doubt that it is for the administrative Ministries/Departments to gear up their machinery and take timely and effective action to post necessary staff or to devise proper forms or returns for the expeditious collection of information from lower formations. The Committee desire that the Ministry of Finance should devise a suitable machinery for the expeditious settlement of outstanding audit observations/inspection reports. Guide-lines should be issued to all administrative Ministries in this regard. |
| 4. | 1.9 | Do | The Committee have noted there has been negligible progress in the clearance of the outstanding audit observations/inspection reports and the arrears are still very numerous. If the recommendations that have been made by the Committee in the previous paragraphs are implemented both in letter and in spirit, the Committee are confident that a better performance will ensue in regard to the implementations of the audit observation. |